

**STERLING MUNICIPAL LIGHT DEPARTMENT
MEETING MINUTES**

TUESDAY, AUGUST 26, 2008

BOARD MEMBERS: Richard Sheppard, Chairman
Arthur J. Coughlin, Sr. – Clerk
Kenneth I. H. Williams – Board Member

SMLD MANAGER: John Kilgo, Jr.

MINUTES: Christine Noponen

IN ATTENDANCE: George Pape, 69 Redemption Rock Trail, Sterling, MA 01564
Nancy Perry, 33 Newell Hill Road, Sterling, MA 01564
Matthew Stelmach, 2 Birch Drive, Sterling, MA 01564

Richard Sheppard (Sheppard) opens the meeting at 5:00 p.m.

APPROVAL OF THE AGENDA

Sheppard makes a motion to approve the Tuesday, August 26, 2008 agenda. Seconded by Coughlin. Role call: Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board.

APPROVAL OF MINUTES

Williams makes a motion to accept as corrected the Tuesday, July 29, 2008 regular session Sterling Municipal Light Department Board Meeting Minutes as written. Seconded by Coughlin. Role call: Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board.

CUSTOMER COMMENTS

Pape asks to have the SMLD look into the American Legion Hall's electric service on School Street prior to a 200-amp service upgrade. They need to know what it will cost them as part of their upgrade. Kilgo says yes someone will look at it.

Pape is wondering if the previous general manager's car would be in the annual town auction. Sheppard states that it was traded in towards the purchase of the 2008 Taurus last year.

Sheppard mentions that the Tanglewood rewiring is going quite well. Some customers have mentioned to him that there have been short power outages. Kilgo states that the residents have been notified in advance of momentary interruptions as the sections have been worked on.

FINANCIALS

Kilgo says that the year-to-date kWh sales are up slightly. Revenues are up as well. There were three less read days this year over last year which explains why this July there is a negative. He also states that the average system load factor is between 65 and 65.5 percent.

Sheppard notes that Residential sales are the second highest. He also recognizes that the overall usage is up; Commercial has dropped a little; and Municipal and Government sales are down too.

Perry asks why are there less read days? Kilgo responds that it is how the reading schedule was setup. Perry asks overall usage or sales? Kilgo responds usage.

2.5 KW OPERATIONS CENTER SOLAR INSTALLATION

Kilgo proposes a 2.5kW solar array (18x24 foot rectangular section) on the Operations Center to be installed this fall. This section would be installed directly over the Operations Center office area. The solar energy produced will be brought into the building using a junction box thereby reducing some of the demand for kWh on the system. The solar array adheres directly to the roof. The Operations Center roof will require an additional layer in order for it to adhere more securely. The array is rugged enough that you can walk on it.

Several questions are asked. Williams is concerned about the price and what we will pay overall for the installation. Williams further says there may be some interest for home installations but someone may not be interested once they find out about the costs. He prefers to see us be a middleman for a project and not be directly involved. The example he refers to is the solar attic fan in the lobby.

Sheppard sees this as another promotion to have residents and business come to see it and then purchase for their own use. Kilgo states there could be a monitor in the lobby for the customers to come in and check out the generation of the solar installation.

Sheppard asks what the Department of Public Utilities (DPU) is doing for the municipals? Kilgo says there is extra technology or grants for the environmental benefits if you belong to the MTC (Massachusetts Technology Consortium). We are not members of the MTC. We would be setting an example for the area municipals.

Perry states that there may be something on the Web site for grants. Kilgo states he believes for municipal buildings.

There are incentives for participating in Green alternatives. There is a light department in the area that is currently installing a small residential demo system. The thin solar technology is from UNI-SOLAR, located in the Midwest. The renewable energy credits for the project is \$0.03/kWh and would help to defray some of the costs over time. The renewable energy credits are a way to foster different ways for renewable power sources. The cost is approximately \$22,000 and will yield about 3,000 kWh/year.

It is noted that the array will not produce much energy during the winter months and the payback period is long with no maintenance costs and no emissions.

Kilgo agrees that right now it is not competitive but we need to be ahead of the technological curve and move forward with it.

Sheppard refers to a memorandum they received where Kilgo stated there was another hydro with competitive pricing added to our power mix. These costs for the solar array could be offset using the savings from the new hydro contracts.

Williams states that it will take approximately 56.4 years for it to pay itself off from his calculations. This is an issue for him. He does not want to see the Light Department in the position it was in the early 1990's. He also does not feel it should be a rate payer's burden.

Sheppard says he did not know what was out there and that he did not know about the solar fan until it was brought up. Yes, it was a little more expensive but he now has one in his home and it is quiet and you would never know it was on.

Kilgo states that two of the board members approached him since the last meeting in regards to changing the \$40,000 in-lieu-of-tax payment to the town. The members were against giving the town anything but the \$40,000. He is willing to forego the idea and find financing somewhere else. Kilgo prefers the depreciation fund as it is a capital addition. Williams says he would like it to come out of the depreciation account.

Kilgo states that we are hedged well with our purchased power pricing. After this project, we can put aside the solar project and see what is happening in the solar field. We can possibly receive some nice publicity over this. Kilgo asks for support for this project.

Coughlin asks that we use our cash so that we can preserve our depreciation fund. Kilgo states that he would like the money to be transferred from the depreciation fund to the operating cash account.

Motion:

Coughlin makes a motion for \$22,000 to be transfer from the Depreciation Fund to the Operating Cash Account for the purchase and expenses associated with the solar film array. Williams seconds the motion. Role call. Coughlin, aye. Sheppard, aye. Williams, no. Approved by the Board.

Additional Comments from those in attendance:

Stelmach says to make sure you do your homework before you go with it. He says his biggest concern is that it may fail. Kilgo says we have done our homework. Kilgo asks Stelmach to give him a call. Kilgo offers to take Stelmach for a site tour. Stelmach says he will call Kilgo.

Perry asks that the SMLD get a survey out to the customers to see what the customers think.

Pape asks if there are any other solar panels out there. There are some.

OTHER BUSINESS

There is none.

NEXT BOARD MEETING

The September 2008 board meeting will be held on Tuesday, September 30, 2008 at 5:00 p.m.

MOTION TO ADJOURN

Sheppard makes a motion to adjourn the meeting at 5:55 p.m. Williams seconds the motion. All in favor? Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board. The meeting is adjourned at 5:55 p.m.

ATTEST: Arthur J. Coughlin, Sr.
Arthur J. Coughlin, Sr., Clerk

DATE: 10-01-2008